



May 5, 2026

Dear Members of the Legislature:

Pursuant to Supplemental Reporting Language for Item 0530-001-0001 associated with the 2025 Budget Act, attached is the report regarding Employment Outcomes Reporting:

1. Aggregated participation data for individuals participating in employment services
2. A written description of aggregate employment and service outcomes for individuals who phased out of subminimum wage employment
3. The number of service providers contracted to provide Coordinated Career Pathways (CCP) services by regional center
4. Description on how California Health and Human Services Agency, Department of Developmental Services (DDS), Department of Rehabilitation (DOR), and regional centers coordinate to support transitions into employment services for students exiting high school or post-secondary education.

Subsequent updates will be provided annually through March 1, 2028, and will include the most current information available. The state entities involved in this report remain firmly committed to strengthening employment services, supports, and incentives, in pursuit of improved employment opportunities for individuals with intellectual and developmental disabilities who desire employment.

Any questions regarding this supplemental report, can be directed to the DDS at [legislation@dds.ca.gov](mailto:legislation@dds.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Corrin Buchanan", with a long, sweeping horizontal line extending to the right.

Corrin Buchanan, Undersecretary, California Health and Human Services Agency

Attachments

cc: Honorable John Laird, Chair, Joint Legislative Budget Committee  
Hans Hemann, Consultant, Joint Legislative Budget Committee  
Erika Contreras, Secretary of the Senate  
Sue Parker, Chief Clerk, Office of the Chief Clerk of the Assembly  
Cara Jenkins, Legislative Counsel, Office of Legislative Bureau  
Gabriel Petek, Legislative Analyst, Legislative Analyst's Office  
Kim Rutledge, Department of Rehabilitation  
Pete Cervinka, Department of Developmental Services  
Rachel Heenan, California Department of Education  
Aaron Carruthers, State Council for Developmental Disabilities  
Andrew Duffy, Assistant Program Budget Manager, Department of Finance

## Employment Outcome Reporting

### (1) Aggregated Participation Data

The five tables listed below display aggregate service participation by regional center using Purchase of Service data for Tailored Day Services, Paid Internship Program, Supported Employment-Group Placement, Supported Employment-Individual Placement, and Work Activity Program for Fiscal Year 2024-25.

Individuals may enroll in multiple services simultaneously and/or transfer between regional centers and may be counted in multiple tables. An additional table was added to provide an unduplicated count of individuals.

| <b>Table 1: Tailored Day Services for Fiscal Year 2024-25</b> |                 |
|---------------------------------------------------------------|-----------------|
| <b>Regional Center (RC)</b>                                   | <b>Caseload</b> |
| Alta California (ACRC)                                        | 1,216           |
| Central Valley (CVRC)                                         | 75              |
| Eastern L.A. (ELARC)                                          | 59              |
| Frank D. Lanterman (FDLRC)                                    | 75              |
| Far Northern (FNRC)                                           | 16              |
| Golden Gate (GGRC)                                            | 317             |
| Harbor (HRC)                                                  | 177             |
| Inland (IRC)                                                  | 126             |
| Kern (KRC)                                                    | 285             |
| North Bay (NBRC)                                              | 328             |
| North L.A. (NLACRC)                                           | 87              |
| East Bay (RCEB)                                               | 443             |
| Orange County (RCOC)                                          | 203             |
| Redwood Coast (RCRC)                                          | 9               |
| San Andreas (SARC)                                            | 360             |
| South Central L.A. (SCLARC)                                   | 24              |
| San Diego (SDRC)                                              | 1,696           |
| San Gabriel/Pomona (SG/PRC)                                   | 419             |
| Tri Counties (TCRC)                                           | 314             |
| Valley Mountain (VMRC)                                        | 26              |
| Westside (WRC)                                                | 359             |
| <b>Total</b>                                                  | <b>6,614</b>    |
| <b>Unduplicated Count</b>                                     | <b>6,609</b>    |

| <b>Table 2: Paid Internship Program for Fiscal Year 2024-25</b> |                 |
|-----------------------------------------------------------------|-----------------|
| <b>Regional Center</b>                                          | <b>Caseload</b> |
| ACRC                                                            | 376             |
| CVRC                                                            | 197             |
| ELARC                                                           | 134             |
| FDLRC                                                           | 91              |
| FNRC                                                            | 185             |
| GGRC                                                            | 193             |
| HRC                                                             | 85              |
| IRC                                                             | 220             |
| KRC                                                             | 131             |
| NBRC                                                            | 97              |
| NLACRC                                                          | 488             |
| RCEB                                                            | 238             |
| RCOC                                                            | 149             |
| RCRC                                                            | 87              |
| SARC                                                            | 148             |
| SCLARC                                                          | 407             |
| SDRC                                                            | 164             |
| SG/PRC                                                          | 118             |
| TCRC                                                            | 171             |
| VMRC                                                            | 31              |
| WRC                                                             | 106             |
| <b>Total</b>                                                    | <b>3,816</b>    |
| <b>Unduplicated Count</b>                                       | <b>3,815</b>    |

**Table 3: Supported Employment-  
Individual Placement for Fiscal Year  
2024-25**

| <b>Regional Center</b>    | <b>Caseload</b> |
|---------------------------|-----------------|
| ACRC                      | 885             |
| CVRC                      | 101             |
| ELARC                     | 212             |
| FDLRC                     | 175             |
| FNRC                      | 242             |
| GGRC                      | 354             |
| HRC                       | 569             |
| IRC                       | 610             |
| KRC                       | 140             |
| NBRC                      | 230             |
| NLACRC                    | 488             |
| RCEB                      | 720             |
| RCOC                      | 503             |
| RCRC                      | 28              |
| SARC                      | 604             |
| SCLARC                    | 148             |
| SDRC                      | 775             |
| SG/PRC                    | 295             |
| TCRC                      | 627             |
| VMRC                      | 156             |
| WRC                       | 225             |
| <b>Total</b>              | <b>8,087</b>    |
| <b>Unduplicated Count</b> | <b>8,080</b>    |

**Table 4: Supported Employment –  
Group Placement for Fiscal Year  
2024-25**

| <b>Regional Center</b>    | <b>Caseload</b> |
|---------------------------|-----------------|
| IRC                       | 31              |
| NBRC                      | 106             |
| NLACRC                    | 10              |
| RCOC                      | 5               |
| SARC                      | 1               |
| SG/PRC                    | 34              |
| TCRC                      | 1               |
| VMRC                      | 57              |
| WRC                       | 39              |
| <b>Total</b>              | <b>284</b>      |
| <b>Unduplicated Count</b> | <b>284</b>      |

**Table 5: Work Activity Program for  
Fiscal Year 2024-25**

| <b>Regional Center</b>    | <b>Caseload</b> |
|---------------------------|-----------------|
| ACRC                      | 59              |
| ELARC                     | 67              |
| FNRC                      | 6               |
| HRC                       | 24              |
| IRC                       | 122             |
| KRC                       | 9               |
| NBRC                      | 25              |
| RCEB                      | 33              |
| SDRC                      | 15              |
| SG/PRC                    | 151             |
| <b>Total</b>              | <b>511</b>      |
| <b>Unduplicated Count</b> | <b>510</b>      |

### **Identified Barriers to Employment**

The following obstacles to employment have been identified through feedback sessions with regional centers, employment service providers, community groups, and Employment Workgroup sessions:

(1) **Efficiencies:** State law requires regional centers to help individuals and families identify and use generic services first before providing services from regional centers. For employment services, the DOR provides these generic services. The transition between DDS and DOR funding sources creates a fragmented system for individuals with intellectual and developmental disabilities (I/DD) seeking employment services. To address this issue, the Administration has proposed trailer bill language in the 2026 Governor's Budget to [improve access to employment](#). The proposal intends to serve people seeking employment at whichever department they contact, reducing administrative barriers for individuals served, and moving funding appropriately for those costs.

(2) **Interactions between Earned Income and Benefits:** Individuals are concerned about affordability and the impact of losing benefits by earning employment income. Many people rely on programs such as Medi-Cal, Social Security, CalFresh, and other essential supports. Complications with social security overpayments, even when wages are reported properly, impacts future payments. Currently, DOR benefits counseling is not available during pre-planning stages for employment. Access to early and comprehensive benefits planning is limited to select regional centers, and there is no standardized service description for these supports. Currently, benefits planning includes education on self-service resources such as [California Disability 101 website](#).

(3) **Fee-for-service Model:** The Department of Developmental Services' (DDS) supported employment reimbursement model is a fee-for-service structure and has limitations. Current models pay providers for ongoing support, but do not account for individual levels of need or emphasize attainment of outcomes or independence. Providers that effectively match individuals with jobs, reduce paid support over time, and improve individual independence experience a reduction in their own billable hours as individuals achieve successful employment. This payment structure may disincentivize increased independence in employment. DDS is exploring potential changes to mitigate this issue.

(4) **Accreditation:** Supported employment providers are required to maintain an independent accreditation by Commission on Accreditation of Rehabilitation Facilities (CARF). Potential providers state this ongoing requirement can be a costly deterrent. Many current providers see CARF as a time-consuming process that is largely duplicative of regional center oversight, DDS monitoring, and

DOR's certification process. To address this issue, the Administration has proposed trailer bill language in the 2026 Governor's Budget to remove the accreditation requirement (see language linked above on issue one).

(5) **Leveraging Funding:** Regional centers are limited in what employment supports they can fund when students receive services from the school district through Individuals with Disabilities Education Act (IDEA). DDS is exploring leveraging ongoing Local Partnership Agreements to support coordination and transitions to appropriate employment services while maximizing funding sources. DDS, DOR, and the California Department of Education (CDE) are collaborating to create roadmaps to competitive integrated employment (CIE).

## **(2) Post-Subminimum Wage Phaseout Employment Outcomes**

Following the enactment of Chapter 339, Statutes of 2021 (SB 639), individuals previously in subminimum wage jobs transitioned into various employment and daytime support services funded by regional centers. Compared to the [2024 Subminimum Wage Transition Report](#)<sup>1</sup>, the number of individuals who continue to participate in employment post-transition has declined. Placement varies among individuals and across regions, as noted below:

- **27 percent moved to employment-focused services:** This group transitioned into supported employment, paid internships, or customized employment supports, often working with DOR and other workforce development organizations.
- **67 percent moved to non-employment daytime services:** These services include community-based day programs, community activity supports, creative arts programs, in-home day services, and similar alternatives. These options were frequently chosen based on the person's preparedness for work, level of support required, or limited availability of suitable job opportunities.
- **8 percent are in non-employment, non-community services:** This group receives services such as respite care after exiting subminimum wage work.
- **6 percent are not receiving services:** These individuals are retired or are not currently using regional center-funded services or supports.

The data from the 2024 Subminimum Wage Transition Report was collected via survey responses from regional centers. Once subminimum wage ended, DDS

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<sup>1</sup> [https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.dds.ca.gov%2Fwp-content%2Fuploads%2F2025%2F04%2FSMWTransition\\_Report\\_2024.xlsx&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.dds.ca.gov%2Fwp-content%2Fuploads%2F2025%2F04%2FSMWTransition_Report_2024.xlsx&wdOrigin=BROWSELINK)

used purchase of service data to track outcomes. For detailed information, please see Appendix B.

### **Identified Barriers to Accessing Employment Services Post-Subminimum Wage**

Barriers for individuals accessing employment services after leaving subminimum wage were collected through feedback sessions conducted with regional centers and include, but are not limited to:

- Shortage of employment service organizations in geographic areas.
- Inadequate knowledge among individuals and their families about flexible work arrangements, including part-time and tailored employment options.
- Transportation challenges for both regional centers and service providers, particularly in rural areas.
- Concern of losing social security income benefits.
- Individuals settling into day program schedules, making subsequent movement into employment more difficult.
- Lack of options for employment supports for people with more intense support needs.

These barriers emphasize the need for ongoing inter-system collaboration, well-defined career development pathways, expanded service provider capacity, and focused assistance measures to provide individuals who transitioned out of subminimum wage with opportunities to obtain CIE.

### **(3) Coordinated Career Pathways**

Coordinated Career Pathways (Pathways) is a three-year pilot designed for individuals exiting Work Activity Programs, subminimum wage settings, or within two years of exiting secondary education to achieve or advance in CIE. This pilot was created to address the lack of employment service options for those with more complex needs transitioning out of subminimum wage settings. Pathways provides person-centered career planning with support in navigating services to achieve employment. Pathways can also include customized employment services that tailor job creation to match individuals' skills and interests with business needs.

The 2022 Budget Act included an \$8.2 million one-time appropriation, encumbrance available until December 31, 2025, for Pathways. The chart below displays the number of service providers contracted by each California regional center to deliver Pathways services. As of March 1, 2026, maximum enrollment for this 18-month-duration of an individual's program participation has been achieved and new enrollments of providers and individuals is now closed.

| <b>Regional Center</b> | <b>Number of Pathways Providers</b> |
|------------------------|-------------------------------------|
| ACRC                   | 6                                   |
| CVRC                   | 1                                   |
| ELARC                  | 5                                   |
| FDLRC                  | 4                                   |
| FNRC                   | 3                                   |
| GGRC                   | 1                                   |
| KRC                    | 3                                   |
| NBRC                   | 3                                   |
| NLACRC                 | 7                                   |
| RCEB                   | 5                                   |
| RCOC                   | 4                                   |
| SARC                   | 1                                   |
| SCLARC                 | 7                                   |
| SDRC                   | 9                                   |
| SGPRC                  | 1                                   |
| TCRC                   | 5                                   |
| WRC                    | 13                                  |
| <b>Total</b>           | <b>78</b>                           |

- (i) Regional centers' best practices include outreach at high schools and parent groups, participation in school district transition fairs, hosting parent events, teacher training, and organizing vendor forums for Pathway providers. One regional center found success through continuous support to Pathways providers navigating career development. The most effective programs utilize a personalized "Plan for Your Dream Job" model, helping individuals develop business plans, create interest-based job plans, and receive career-focused training. Regional centers report that combining community engagement with individualized career planning helps individuals and families better understand and utilize employment services.
- (ii) The chart below displays the latest statewide expenditure data for the Pathways service code by fiscal year and total caseload. It provides a detailed comparison between the two subcodes—Career Pathway Navigator and Customized Employment Specialist—showing how resources are distributed across these service components. The chart reflects expenditures through November 2025. *Note:* The total caseload shows the unduplicated count of individuals in Pathways.

|                                                 | <b>FY24/25<br/>Caseload</b> | <b>FY24/25<br/>POS</b> | <b>FY25/26<br/>Caseload</b> | <b>FY25/26<br/>POS</b> | <b>Year to<br/>Date*</b> |
|-------------------------------------------------|-----------------------------|------------------------|-----------------------------|------------------------|--------------------------|
| <b>Customized<br/>Employment<br/>Specialist</b> | 44                          | \$400,498              | 103                         | \$1,288,130            | \$1,688,627              |
| <b>Career<br/>Pathway<br/>Navigator</b>         | 228                         | \$2,493,138            | 308                         | \$2,839,114            | \$5,332,252              |
| <b>Total</b>                                    | 272                         | --                     | 411                         | --                     | --                       |
| <b>Unduplicated<br/>Total</b>                   | <b>242</b>                  | <b>\$2,893,636</b>     | <b>341</b>                  | <b>\$4,127,244</b>     | <b>\$7,020,879</b>       |

\*DDS has closed the program for new enrollment and anticipates spending the full \$8.2 million.

#### **(4) Collaboration Efforts**

DDS is collaborating with CDE and DOR to create a CIE Roadmap, along with a corresponding desk reference guide and training. The CIE Roadmap is anticipated to be released in May 2026. These resources outline coordination strategies, service delivery methods, and funding mechanisms for CIE services available to students, youth, and adults served by regional centers, special education, and vocational rehabilitation systems. The target audience for the roadmap includes professionals from local educational agencies, regional centers, service providers, DDS, and DOR. DDS will continue to collaborate on the roadmap project and pursue further opportunities to increase coordination across all partner agencies.

The CIE Roadmap aims to:

- Identify available CIE pathways for students receiving regional center services.
- Help service coordinators, vocational rehabilitation counselors, educators, and field professionals understand work-based learning and employment preparation programs offered by all three agencies.
- Clarify when students and adults can access services from each agency and the eligibility requirements.
- Provide alternative options when individuals aren't eligible or prepared for specific services or programs.

DDS and DOR are collaborating on a dual provider service delivery model, at the local level, creating a new framework between regional centers and vocational rehabilitation offices. This partnership aims to simplify program navigation and speed up access to employment services. Removing the CARF accreditation requirement, as proposed by trailer bill in the 2026-27 Governor's Budget, is expected to attract more vendors to offer supported employment services, resulting in more widely available services.



State Council on Developmental Disabilities (SCDD) is a collaborator with consistent interpretation of the Employment First Policy. SCDD convened the Employment First Committee, led SB 639 in 2021 to end subminimum wage, makes recommendations for better employment outcomes, organizes subminimum wage town halls, and collaborates with DOR and DDS on reporting and monitoring the outcomes post-subminimum wage options.

### **Collaborative Efforts to Increase Participation in CIE**

DDS, DOR and SCDD have collaborated on several potential strategies and concepts to guide current and future efforts to increase participation in CIE for individuals with I/DD and mitigate and remove challenges and barriers to employment. In its efforts, DDS researched and conducted several discussions with states that have high levels of employment for individuals with I/DD to learn about their methodology and policies related to employment services. DDS also held several conversations with the employment workgroup, which comprises of representatives from DOR, CDE, regional centers, providers, families, and individuals with lived experience.

These potential strategies and concepts include:

- Create a no-wrong-door DDS/DOR model to eliminate delays.
- Coordinate with DOR and Local Education Agencies (LEAs) to maximize funding sources to connect students to employment services starting at age 16, including those still eligible for services through the LEA and DOR's student services.
- Adopt outcome- and acuity-based rate models to improve provider capacity.
- Remove CARF requirements to expand provider access.
- Establish a Project SEARCH-specific service and rate structures.
- Reform Tailored Day Services to enable seamless CIE-oriented supports.
- Add prevocational milestones and pathways for individuals transitioning from day programs to CIE.
- Promote technology-enabled job coaching (artificial intelligence, wearables, geofencing).
- Create a benefits counseling service code.
- Implement Medi-Cal/public benefits protections to remove financial disincentives.
- Explore a federal waiver allowing combined private and Medi-Cal coverage for workers.

DDS shared these concepts at a recent employment workgroup and received positive feedback.

Lastly, as reflected in the Governor's Budget for 2026-27, DDS shifted staffing resources toward employment services. This move creates enhanced employment efforts with the community, including business engagement and outreach, as well as support to work on policies and programs to improve access to employment services. Staffing resources previously used for compliance monitoring are repositioned as community employment support, providing local technical assistance, and reviewing employment outcomes based on region.

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